

Diversified Income Fund Unit Class 2 - For local authorities and public sector organisations

Fact Sheet – 30 September 2018

Investment objective

To provide a balanced return from income and capital growth over time from a portfolio structured to control relative risk.

Investment policy

The portfolio will be actively managed and may invest in a wide range of potential assets. The control of relative risk will be an important influence on structure and strategy.

Suitability

The Fund is suitable for long term investors seeking a balanced return of income and capital growth for whom control of relative risk is important.

Who can invest?

Any local authority and public sector investor in England, Wales, Scotland and Northern Ireland. Investors should note that there is a minimum investment in the Fund of £1million.

Responsible investment policy

Information about the ethical and responsible policies to be followed by the Diversified Income Fund is available from the Investment Manager's website www.ccla.co.uk.

Income

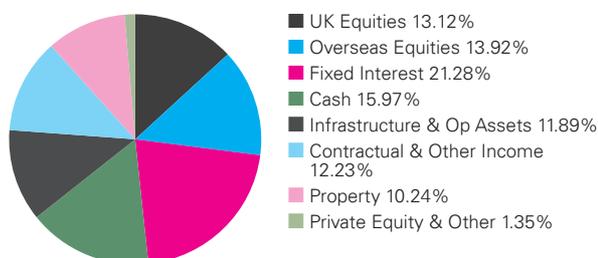
The Fund distributes income on a quarterly basis. As at 30 September 2018 the dividend yield on price was 3.09%. This is based on the last 12 months' dividend of 4.65p.

Fund update

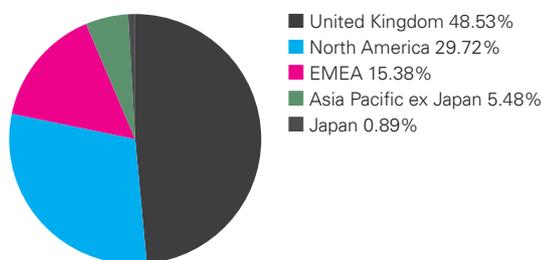
The Fund is actively managed and has a diversified portfolio invested in a range of good-quality assets.

The fixed interest exposure is below that of the benchmark and the maturity profile is noticeably shorter, a reflection of our cautious view of sector prospects. The equity holdings have a substantial international exposure, evident from the proportion invested directly in overseas companies and a bias in the domestic portfolio to companies with a strong international business footprint. The portfolio has a high allocation to non-traditional assets, including infrastructure, specialist property and leasing. These provide an important contribution to the Fund's income and help control portfolio risk by improving diversification. Recent activity has included reducing the equity allocation by partial sales of a number of issues, where recent price strength had seen them rise to a full valuation. We also added to the holding in short-dated US Treasury bonds. We view these assets as an attractive alternative to domestic cash.

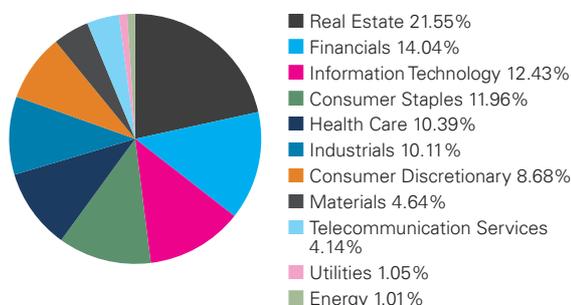
Asset allocation at 30 September 2018



Equity portfolio geographical breakdown at 30 September 2018



Equity portfolio sector breakdown at 30 September 2018



Discrete year total return performance (gross)

12 months to 30 September	2018
Diversified Income Fund - Unit Class 2	+4.40%
Comparator	+3.58%

Comparator – composite: from 24.03.17 MSCI UK IMI 20%, MSCI North America 6.67%, MSCI Europe ex UK 6.67%, MSCI Pacific 6.67%, Market iBoxx £ Gilts 30% & Market iBoxx £ Non-Gilts 30%. Source: CCLA. Past performance is not a reliable indicator of future results.

Most overweight companies relative to equity indices at 30 September 2018

F&C UK Real Estate	5.67%	Taiwan Semiconductor	1.52%
Pfizer	2.01%	Stryker Corp	1.43%
HKT Trust and HKT Ltd	1.93%	Nasdaq Inc	1.43%
Microsoft	1.71%	Fidelity National Info Serv	1.42%
McDonald's Corp	1.69%	Nestle Sa-Reg	1.42%

Key facts

Fund size	£129m
Number of holdings	179
Price	£1.51
Fund launch date	2 December 2016
Unit Class 2 launch date	24 March 2017
Minimum initial investment	£1m
Minimum subsequent investment	£25,000
Dealing	Daily*
Sedol number	BDS68Q2
ISIN number	GB00BDS68Q24
Dividend payment dates	End February, May, August & November
Annual management charge (taken 100% from capital)	0.60%

*The Dealing Deadline is normally 12 noon London time on a Dealing Day. The Valuation Point is normally 3pm on a Dealing Day.

Risk Warning

This document is a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. This document is specific to the Unit Class of the Fund stated at the beginning of this document. CCLA have not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, and for details on the relevant risk factors, please read the Prospectus. We strongly recommend you seek independent professional advice prior to investing.

Disclosures

Past performance is not a reliable indicator of future results. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Any forward-looking statements are based upon our current opinions, expectations and projections. We undertake no obligations to update or revise these. Actual results could differ materially from those anticipated. Any comparator or benchmark that we may use as a measure of performance in relation to your portfolio is set only as a non-binding indication of the Fund's performance and is not a representation or warranty that the comparator or benchmark will be achieved. The Manager participates in the Financial Services Compensation Scheme ("FSCS"). Unitholders may be entitled to compensation from the FSCS if the Manager cannot meet its obligations. This depends on the eligibility of the claimant, the type of business and the circumstances of the claim. Most types of investment business are covered for 100 percent of the first £50,000, so the maximum compensation is £50,000. Investors in each Unit Class of the Fund must be Eligible Investors as defined in the Prospectus of CCLA Authorised Contractual Scheme. The Fund is a sub-fund of the CCLA Authorised Contractual Scheme which has been constituted as a co-ownership scheme. CCLA Fund Managers Limited registered address: Senator House, 85 Queen Victoria Street, London, EC4V 4ET (registered in England & Wales No. 8735639) is authorised and regulated by the Financial Conduct Authority. CCLA Fund Managers Limited is the Manager of the Diversified Income Fund. The Trustee is HSBC Bank plc (registered in England & Wales No. 14259 with its registered office at 8 Canada Square, London, England E14 5HQ). For information about how we obtain and use your personal data please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.